

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SPC-03 SS-15

USIA-15 ACDA-19 IO-15 TRSE-00 MBFR-04 SAJ-01 COME-00

EB-11 DRC-01 (ADP) W

----- 099533

R 281634Z SEP 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4327

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS: UK, PINT

SUBJECT: LABOR PARTY CONFERENCE: NATIONALIZATION

1. SUMMARY: A MAJOR FIGHT OVER NATIONALIZATION IS SHAPING UP AS THE DOMINANT ISSUE AT NEXT WEEK'S ANNUAL CONFERENCE OF THE LABOR PARTY. THE LEFT WING OF THE PARTY IS DETERMINED TO COMMIT A FUTURE LABOR GOVERNMENT TO SPECIFIC AND FAR-REACHING PLEDGES TO EXTEND PUBLIC OWNERSHIP. WILSON IS ANXIOUS TO RETAIN AS MUCH ROOM FOR MANEUVER AS POSSIBLE. END SUMMARY.

2. AS THE LABOR PARTY PREPARES FOR ITS ANNUAL PUBLIC

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BLOODLETING AT BLACKPOOL NEXT WEEK, THE ISSUE OF

NATIONALIZATION LOOMS LARGEST AND IS POTENTIALLY THE MOST EXPLOSIVE.

3. THE NATIONAL EXECUTIVE COMMITTEE (NEC) NARROWLY APPROVED A PROPOSAL LAST MAY (LONDON 6354) PLEDGING THE NEXT LABOR GOVERNMENT TO NATIONALIZE 25 OF THE TOP 100 FIRMS IN BRITAIN. HAROLD WILSON PROMPTLY ANNOUNCED THAT THE SHADOW CABINET WOULD "VETO" ANY SUCH SPECIFIC COMMITMENT WHEN IT CAME TIME TO DRAFT AN ELECTION MANIFESTO. HIS REMARKS AROUSED THE FURY OF THE LEFT, AND NO FEWER THAN 74 MOTIONS AND AMENDMENTS ON THIS SUBJECT HAVE BEEN SUBMITTED TO CONFERENCE, MOST OF THEM CALLING FOR RADICAL EXTENSION OF PUBLIC OWNERSHIP.

4. SEEKING, AS ALWAYS, TO SIDESTEP HIS ENEMIES AND AVOID A SHOWDOWN, WILSON HAS BEEN WORKING BEHIND THE SCENES TO SECURE SUPPORT FOR SUBSTITUTE LANGUAGE CALLING FOR A "SUBSTANTIAL INCREASE" IN PUBLIC OWNERSHIP, BUT AVOIDING GIVING ANY HOSTAGES TO FORTUNE. HE HAS ENLISTED THE AID OF MICHAEL FOOT, DARLING OF THE LEFT, WHO LIKE WILSON BELIEVES A SPECIFIC PLEDGE WOULD BE ELECTORALLY DAMAGING. WILSON WILL ASK THE NEC TODAY TO MEET JOINTLY WITH THE SHADOW CABINET TO APPROVE THE SUBSTITUTE LANGUAGE AND AGREE NOW TO INCLUDE IT IN THE PARTY'S NEXT ELECTION MANIFESTO.

5. THIS PROCEDURE IS HIGHLY IRREGULAR, TO SAY THE LEAST. THE NEC DOES NOT NORMALLY MEET WITH THE SHADOW CABINET ON THE EVE OF CONFERENCE, AND AN ELECTION MANIFESTO IS NOT NORMALLY DRAWN UP UNTIL FOUR WEEKS BEFORE A GENERAL ELECTION. FULLY AWARE THAT WILSON WOULD COMMAND MAJORITY SUPPORT IN A JOINT NEC-SHADOW CABINET MEETING, WEDGWOOD BENN, JUDITH HART, AND OTHER PROPONENTS OF THE PLEDGE TO NATIONALIZE 25 FIRMS WILL OPPOSE THE CONVENING OF A JOINT MEETING. IF THEY LOSE THAT ROUND, THEY WILL UNDOUBTEDLY TAKE THEIR FIGHT TO THE CONFERENCE FLOOR WHERE THEY WILL ENJOY WIDESPREAD SUPPORT AMONG PARTY ACTIVISTS. WILSON'S LEGENDARY ABILITY TO SQUIRM OUT OF TIGHT LIMITED OFFICIAL USE

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CORNERS WILL BE PUT TO A SEVERE TEST.

6. THE QUESTION OF WHETHER TO NATIONALIZE 25 OR 50 OR 100 FIRMS IS IN MANY WAYS A PHONEY ONE. NO ONE, FOR INSTANCE, IS PREPARED TO NAME ANY OF THESE FIRMS. WHAT REALLY IS AT ISSUE IS CONFIDENCE IN THE PARTY'S LEADERSHIP -- IN ITS DETERMINATION TO CARRY OUT A FULL-BLOODED SOCIALIST PROGRAM ONCE IT IS BACK IN

GOVERNMENT. THE LEFT WING OF THE PARTY IS DETERMINED TO COMMIT WILSON AND THE PARLIAMENTARY LABOR PARTY (PLP) AS FIRMLY AS POSSIBLE TO VARIOUS SPECIFIC AND FAR-REACHING POLICIES. WILSON FEARS THE ELECTORAL HAZARDS OF MAKING SUCH SWEEPING PLEDGES, AND WANTS IN ANY CASE TO RETAIN MAXIMUM MANEUVERABILITY ON PROGRAMS AND PRIORITIES SHOULD HE AGAIN BE GIVEN THE RESPONSIBILITIES OF GOVERNMENT.

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